Fourteenth Loksabha

Session : 9
Date : 13-12-2006

Participants : Pal Shri Rupchand

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Title: Reported proposed changes by RBI regarding audit in Public Sector Banks.

SHRI RUPCHAND PAL (HOOGHLY): Sir, one of the recent measures in the name of financial sector reform is an RBI decision to allow the public sector banks to choose their own auditors instead of the earlier time-tested practice of appointment of auditors by the RBI. The current step will dilute the regulatory function of the RBI and lead to unholy nexus between the PSB management and pliant auditors.

MR. SPEAKER: You are right.

SHRI RUPCHAND PAL : It will be used to cover up abuse of public funds leading to scams and use of loans for speculative purposes instead of productive purposes, leading to loss of the PSBs.

I urge upon the Government that the Government should intervene so that the earlier practice of RBI appointing from its own panel the people for audit purpose of PSBs continues.[s15]

MR. SPEAKER: Next is Shri Ram Kripal Yadav. This is not a matter of the Central Government. The voters list is prepared by the Election Commission. You can only make a suggestion, and it may also be in another language. You can speak on it within those parameters.

… (*Interruptions*)

अध्यक्ष महोदय : हमने लेफ्ट साइड में देखा है और लेफ्ट साइड से बहुत लोगों को बोलने का मौका दिया है।

…(व्यवधान)

MR. SPEAKER: Please do not impute anything.

… (*Interruptions*)